

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6462**

**BILL NUMBER:** HB 2032

**NOTE PREPARED:** Mar 4, 2003

**BILL AMENDED:** Feb 26, 2003

**SUBJECT:** Annexation in St. Joseph County.

**FIRST AUTHOR:** Rep. Dvorak

**FIRST SPONSOR:** Sen. Zakas

**BILL STATUS:** As Passed - House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** (Amended) This bill removes annexation provisions that apply only to a city in St. Joseph County. It removes a provision that allows a city in St. Joseph County four years to extend capital services. The bill also makes annexation provisions that apply to other municipalities applicable to a city in St. Joseph County.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) This bill makes technical corrections as these annexation provisions specific to St. Joseph County were ruled as unconstitutional by the Indiana Supreme Court. Below is an outline of what modifications are made.

Removing the annexation provisions specific to St. Joseph County would require cities in that county to comply with the following requirements regarding annexation procedures:

- the territory sought to be annexed must have a population density of at least three persons per acre;
- a remonstrance must be signed by 65 percent of the land owners in the annexed territory, rather than a majority under current law;
- services of a capital improvement nature must be provided to the annexed territory within three years, instead of four years;
- at a remonstrance's hearing the court would be able to deny the annexation if at least 65 percent,

- rather than a majority, of land owners in the territory oppose the annexation; and with in one year of the three-year, instead of four-year, period that capital services must be provided, a person who pays taxes on the annexed property may file a complaint alleging injury resulting from the city's failure to implement the fiscal plan.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** St. Joseph County and cities located within its boundaries.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867